

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



1  
Ag81Ada

U.S. LAWS, STATUTES, ETC.

An act to reenact and amend...  
Agricultural adjustment act... re-  
lating to marketing agreements and  
orders(Public no. 137 - 75th Cong.  
1937)

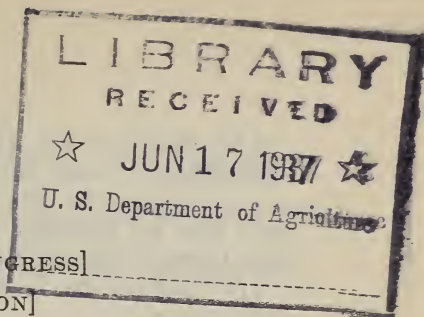
UNITED STATES  
DEPARTMENT OF AGRICULTURE  
LIBRARY



BOOK NUMBER

1  
Ag81Ada  
Reserve  
346891





[PUBLIC--No. 137--75TH CONGRESS]

[CHAPTER 296--1ST SESSION]

[H. R. 5722]

AN ACT

To reenact and amend provisions of the Agricultural Adjustment Act, as amended, relating to marketing agreements and orders.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following provisions of the Agricultural Adjustment Act, as amended, not having been intended for the control of the production of agricultural commodities, and having been intended to be effective irrespective of the validity of any other provision of that Act are expressly affirmed and validated, and are reenacted without change except as provided in section 2:

- (a) Section 1 (relating to the declaration of emergency);
- (b) Section 2 (relating to declaration of policy);
- (c) Section 8a (5), (6), (7), (8), and (9) (relating to violations and enforcement);
- (d) Section 8b (relating to marketing agreements);
- (e) Section 8c (relating to orders);
- (f) Section 8d (relating to books and records);
- (g) Section 8e (relating to determination of base period);
- (h) Section 10 (a), (b) (2), (c), (f), (g), (h), and (i) (miscellaneous provisions);
- (i) Section 12 (a) and (c) (relating to appropriation and expenses);
- (j) Section 14 (relating to separability);
- (k) Section 22 (relating to imports).

SEC. 2. The following provisions, reenacted in section 1 of this Act, are amended as follows:

- (a) Section 1 is amended to read as follows:

"DECLARATION

"It is hereby declared that the disruption of the orderly exchange of commodities in interstate commerce impairs the purchasing power of farmers and destroys the value of agricultural assets which support the national credit structure and that these conditions affect transactions in agricultural commodities with a national public interest, and burden and obstruct the normal channels of interstate commerce."

(b) Section 2 (1) is amended by striking out "balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish" and inserting in lieu thereof the following: "orderly marketing conditions for agricultural commodities in interstate commerce as will establish".

(c) Section 8a (6) is amended by striking out ", the provisions of this section, or of".

(d) Section 8c (5) (B) (d) is amended by striking out "production" and inserting in lieu thereof "marketings".

(e) Section 8c (6) (B) is amended by striking out "produced or"; and by striking out "production or sales of" and inserting in lieu thereof "quantities available for sale by".

(f) Section 8c is amended by adding at the end thereof the following:

**"MILK PRICES**

"(18) The Secretary of Agriculture, prior to prescribing any term in any marketing agreement or order, or amendment thereto, relating to milk or its products, if such term is to fix minimum prices to be paid to producers or associations of producers, or prior to modifying the price fixed in any such term, shall ascertain, in accordance with section 2 and section 8e, the prices that will give such commodities a purchasing power equivalent to their purchasing power during the base period. The level of prices which it is declared to be the policy of Congress to establish in section 2 and section 8e shall, for the purposes of such agreement, order, or amendment, be such level as will reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand, for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence adduced at the hearing required by section 8b or 8c, as the case may be, that the prices that will give such commodities a purchasing power equivalent to their purchasing power during the base period as determined pursuant to section 2 and section 8e are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area to which the contemplated agreement, order, or amendment relates, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices.

**"PRODUCER REFERENDUM**

"(19) For the purpose of ascertaining whether the issuance of an order is approved or favored by producers, as required under the applicable provisions of this title, the Secretary may conduct a referendum among producers. The requirements of approval or favor under any such provision shall be held to be complied with if, of the total number of producers, or the total volume of production, as the case may be, represented in such referendum, the percentage approving or favoring is equal to or in excess of the percentage required under such provision. Nothing in this subsection shall be construed as limiting representation by cooperative associations as provided in subsection (12)."

(g) Section 10 (c) is amended by striking out "including regulations establishing conversion factors for any commodity and article



processed therefrom to determine the amount of tax imposed or refunds to be made with respect thereto".

(h) Section 10 (f) is amended by striking out the last sentence thereof.

(i) Section 10 is amended by adding at the end thereof the following new subsection:

"(j) The term 'interstate or foreign commerce' means commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof; or within any Territory or possession, or the District of Columbia. For the purpose of this Act (but in nowise limiting the foregoing definition) a marketing transaction in respect to an agricultural commodity or the product thereof shall be considered in interstate or foreign commerce if such commodity or product is part of that current of interstate or foreign commerce usual in the handling of the commodity or product whereby they, or either of them, are sent from one State to end their transit, after purchase, in another, including all cases where purchase or sale is either for shipment to another State or for the processing within the State and the shipment outside the State of the products so processed. Agricultural commodities or products thereof normally in such current of interstate or foreign commerce shall not be considered out of such current through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this Act. As used herein, the word 'State' includes Territory, the District of Columbia, possession of the United States, and foreign nations."

(j) Section 12 (a) is amended by striking out "and production adjustments".

SEC. 3. (a) The Secretary of Agriculture, or such officer or employee of the Department of Agriculture as may be designated by him, upon written application of any cooperative association, incorporated or otherwise, which is in good faith owned or controlled by producers or organizations thereof, of milk or its products, and which is bona fide engaged in collective processing or preparing for market or handling or marketing (in the current of interstate or foreign commerce, as defined by paragraph (i) of section 2 of this Act), milk or its products, may mediate and, with the consent of all parties, shall arbitrate if the Secretary has reason to believe that the declared policy of the Agricultural Adjustment Act, as amended, would be effectuated thereby, bona fide disputes, between such associations and the purchasers or handlers or processors or distributors of milk or its products, as to terms and conditions of the sale of milk or its products. The power to arbitrate under this section shall apply only to such subjects of the term or condition in dispute as could be regulated under the provisions of the Agricultural Adjustment Act, as amended, relating to orders for milk and its products.

(b) Meetings held pursuant to this section shall be conducted subject to such rules and regulations as the Secretary may prescribe.

(c) No award or agreement resulting from any such arbitration or mediation shall be effective unless and until approved by the Secre-

tary of Agriculture, or such officer or employee of the Department of Agriculture as may be designated by him, and shall not be approved if it permits any unlawful trade practice or any unfair method of competition.

(d) No meeting so held and no award or agreement so approved shall be deemed to be in violation of any of the antitrust laws of the United States.

SEC. 4. Nothing in this Act shall be construed as invalidating any marketing agreement, license, or order, or any regulation relating to, or any provision of, or any act of the Secretary of Agriculture in connection with, any such agreement, license, or order which has been executed, issued, approved, or done under the Agricultural Adjustment Act, or any amendment thereof, but such marketing agreements, licenses, orders, regulations, provisions, and acts are hereby expressly ratified, legalized, and confirmed.

SEC. 5. No processing taxes or compensating taxes shall be levied or collected under the Agricultural Adjustment Act, as amended. Except as provided in the preceding sentence, nothing in this Act shall be construed as affecting provisions of the Agricultural Adjustment Act, as amended, other than those enumerated in section 1. The provisions so enumerated shall apply in accordance with their terms (as amended by this Act) to the provisions of the Agricultural Adjustment Act, this Act, and other provisions of law to which they have been heretofore made applicable.

SEC. 6. This Act may be cited as the "Agricultural Marketing Agreement Act of 1937".

Approved, June 3, 1937.



1  
Rt. U.S.  
Addlada An

visit  
as an  
agree  
137

ero 8-2432

